

Regular Meeting

Agenda Item #	
Meeting Date	January 24, 2005
Prepared By	Barbara B. Matthews
Approved By	

Discussion Item	2 nd Reading Ordinance – Agreement with Linda McKenzie for financial and accounting consulting services
Background	<p>Upon the retirement of the City Treasurer in February 2004, the positions of City Clerk and Treasurer were combined, in part to reduce the City's operating expenses. To ensure a smooth transition, former City Manager Rick Finn retained the services of the retiring Treasurer, Linda McKenzie, to provide financial and accounting consulting services after she left the City's employment. The agreement between the City and Ms. McKenzie was for the period of March 1, 2004 through December 31, 2004. During this time period, Ms. McKenzie's services were used more extensively than originally envisioned. In FY04, the City expended approximately \$7,115. To date in FY05, approximately \$7,448 has been spent; this figure does not include billings for the last quarter of 2004.</p> <p>Recently, the City Manager and the Clerk/Treasurer recognized that this organizational structure was not allowing the Clerk/Treasurer sufficient time to adequately address the needs of both the Office of the City Clerk and the duties of the Finance Department. The City Manager advised the City Council that the needs of the City would best be met by separating the duties of the position, and a process is underway to hire a Director of Finance.</p> <p>It is anticipated that the recruitment process for the Director of Finance position may take approximately four months. The City Manager recommends that the City enter into a new agreement with Ms. McKenzie to provide financial and accounting consulting services during this time period to ensure that the City's financial operations are kept in good order.</p> <p>First reading of the ordinance was held on January 18, 2005.</p>
Policy	The City Manager has determined that the scope of services to be provided to Ms. McKenzie satisfies the requirements of sole source procurement in accordance with Section 7.08.070 of the Code of the City of Takoma Park. Additionally, under the provisions of Section 7.04.060 (A), the City Council must approve by ordinance any expenditure of \$10,000 or more.
Fiscal Impact	Not-to-Exceed \$45,000 for fiscal year 2005. The Finance Department budget includes \$10,000 for contractual services. The remaining funds will be identified within the City's existing operating budget. A budget amendment formalizing the reallocation of these funds will be submitted for Council approval at a future date.
Attachments	Draft Second Reading Ordinance
Recommendation	Staff recommends that the Council adopt the attached ordinance, approving an agreement with Linda McKenzie for financial and accounting consulting services.
Special Consideration	

Introduced by: Councilmember Elrich

First Reading: January 18, 2005

Second Reading:

ORDINANCE #2005-3
Authorization for City Manager to Execute Agreement
for Financial and Advisory Consulting Services

WHEREAS, upon the retirement of the long-time City Treasurer in February 2004, the positions of City Clerk and Treasurer were combined, in part to reduce the City's operating expenses; AND,

WHEREAS, to facilitate a smooth transition, the former City Manager retained the services of the retiring Treasurer, Linda McKenzie, to provide financial and accounting consulting services; AND,

WHEREAS, the term of the agreement between the City and Ms. McKenzie was for the period of March 1, 2004 through December 31, 2004; AND,

WHEREAS, the City used the services of Ms. McKenzie more extensively during this time period than originally envisioned, resulting in a funding shortfall in the FY05 budget; AND,

WHEREAS, the City Manager and Clerk/Treasurer recently concluded that the combining of the duties of the City Clerk and the City Treasurer did not allow for adequate focus and oversight of both the Office of the City Clerk and the Finance Department; AND,

WHEREAS, the City Manager received authorization from the City Council to separate the duties of the position of Clerk/Treasurer and to proceed with the hiring of a Director of Finance; AND,

WHEREAS, the recruitment process for the Director of Finance position is estimated to take approximately four months; AND,

WHEREAS, the City Manager recommends that the City enter into a new agreement with Ms. McKenzie to provide financial and accounting consulting services during this time period to ensure that the City's financial operations are kept in good order; AND,

WHEREAS, the City Manager projects that the cost of Ms. McKenzie's services in FY05 will not exceed \$45,000.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND, THAT the City Manager is authorized to enter into an agreement with Linda McKenzie for financial and accounting services in an amount not to exceed \$45,000 for FY 05.